

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL MEMORANDUM

HB 3169 – SB 3135

March 16, 2010

SUMMARY OF AMENDMENTS (014101, 015025, 015059): Amendment 014101 includes as an offset against tax refunds child support due pursuant to Title 36, Chapter 2 (Paternity law) and Chapter 6 (Child custody and visitation law); adds declaratory language stating that no state agency or its employees or officers shall be required to violate strict standards of confidentiality set forth in federal or state law or regulations. Amendment 015025 changes from the Comptroller of the Treasury to the State Treasurer the authority responsible for submitting to the Department of Finance and Administration (F&A) a list of names of persons who may be the owner of unclaimed property for the purpose of offsetting other debts owed to the state by potential owners of unclaimed property. Amendment 015059 adds language stating that interest shall be added to the amount of any refund or credit due within six months from the date the Commissioner of Revenue receives proper proof to verify that a refund or credit is due and payable.

FISCAL IMPACT OF ORIGINAL BILL:

Increase State Revenue – Exceeds \$100,000/Recurring
Increase State Expenditures - \$166,000/One-Time
\$280,000/Recurring

FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENTS:

Unchanged from the original fiscal note.

Assumptions applied to amendments:

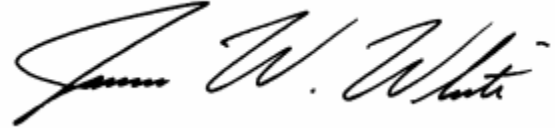
- The additional debts owed pursuant to Chapters 2 and 6 of Title 36 could result in fewer state tax refunds being paid, and as a result, the state would retain additional revenue that would have otherwise been paid out to taxpayers. However, the extent of any increased revenue is unknown and difficult to quantify.
- Certain state agencies and employees or officers of certain state agencies may not share certain confidential information with F&A and the Department of Revenue that would be necessary to offset a debt against an outstanding tax refund. This would result in a decrease to state revenue due to the paying of tax refunds that would not have been paid

otherwise. However, the extent of any decreased revenue is unknown and difficult to quantify.

- The two fiscal impacts noted above are likely to result in a not significant change to state revenue. Therefore, the revenue impact for the bill as amended remains unchanged from the original fiscal note.
- The Unclaimed Property Division within the Department of the Treasury would be able to compile appropriate lists for remittance to F&A with existing resources without an appropriation or reduced reversion.
- Changing the authority responsible for the reporting of persons who may be eligible for unclaimed property will not result in any change to state expenditures estimated for the original bill.
- Any change to state revenue as a result of including interest on tax refunds or credits which are due and payable is considered to be not significant. Therefore, the fiscal impact for the bill as amended remains unchanged from the original fiscal note.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, appearing to read "James W. White". The signature is fluid and cursive, with the first name "James" written in a larger, more prominent script than the last name "White".

James W. White, Executive Director

/rnc